

To Whom It May Concern:

Here are some comments on the proposed changes:

LENDER APPROVAL - seems that it should be default that all federally regulated financial institutions should be approved by default. Non regulated lenders should receive heavy scrutiny - just look at all the mortgage brokers who were selling sub-prime loan products.

BUSINESSES WITH CREDIT PROBLEMS - should allow the payment of judgments and tax liens if it is a reasonable situation.

DRAFT LOAN AGREEMENT - Making the lenders provide a draft agreement seems like overkill, 95% is boilerplate information. Ask for the other 5% instead, which basically means loan covenants.

BUSINESS PLAN - I would think a business history and budget would be plenty, especially for established businesses.

FINANCIAL STATEMENTS - requiring an audit for loans >\$1 million would be very punitive. Audits are too expensive. Really should be up to the Lender who would factor in the size of the loan, size of the business and overall complexity of the business and project being financed.

DEBT COVERAGE RATIO - need to define

CASH EQUITY - tangible NW....would seem reasonable to require a certain LTV, irregardless of tangible NW. Given a fully depreciated building, the real NW of a borrower would be substantially higher than book value. The real NW is ultimately what would repay a loan if the collateral is liquidated.

SUBORDINATION - should allow for up to 3-5 years.

Thank you,

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